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SUBJECT: JAPANESE MORNING PRESS HIGHLIGHTS 1//09

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1) TOP HEADLINES

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Tribunal finds destroyer Atago primary cause of collision with boat

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BOJ predicts economic contractions two years in row

Sankei:

Government to freeze project to dispose of chemical weapons abandoned in China

2) EDITORIALS

Asahi:

- (1) MSDF must take recommendations by tribunal seriously on collision between Atago, fishing boat
- (2) BOJ should offer large-scale capital-procurement aid for companies

Mainichi:

- (1) Reflecting on Atago incident, give priority to "safety" in MSDF reform
- (2) Two-stage consumption tax hike plan: Seek people's judgment first

Yomiuri:

- (1) New legislation needed to fight piracy
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Nikkei:

- (1) BOJ urged to prepare full measures to prevent more serious economic tumble
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Sankei:

- (1) Confusion in LDP on consumption tax hike disappoints people
- (2) MSDF should shape up in response to unusual recommendations in trial on Aegis collision

Tokyo Shimbun:

- (1) In debating consumption tax hike, public trust in government needed first
- (2) Conduct thorough debate on SDF dispatch to Somalia

Akahata:

- (1) Expansion of SDF overseas missions impermissible

3) Prime Minister's Official Residence (Kantei)

Prime Minister's schedule, January 22

NIKKEI (Page 2) (Full)
January 23, 2009

07:35

Took a walk around his official residence.

11:32

Met with Chief Cabinet Secretary Kawamura at the Kantei.

14:31

Met with Kawamura and his deputies Matsumoto and Iruma, joined in by another deputy Konoike. Matsumoto stayed on.

15:32

Met with Cabinet Intelligence Director Mitsuya.

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16:01

Met with Keio University Prof. Takenaka and LDP Election Strategy Council Deputy Chairman Suga, followed by Vice Foreign Minister Yabunaka.

17:24

Met with Iranian presidential envoy Hashemi Samareh, in the presence of Kawamura.

18:17

Held a summit meeting with Prime Minister Godmanis of Latvia.

19:33

Met with LDP Upper House first-term lawmakers at the Hotel New Otani.

21:52

Returned to his official residence.

4) 90 PERCENT support Obama in Japan

NIKKAN SPORTS (Page 21) (Abridged)
January 23, 2009

New U.S. President Obama, 47, started his work on Jan. 21, a day after his historic inaugural address. Obama retook his oath of office at the White House because a word was out of sequence when he was sworn in on Tuesday. However, Obama has now set about to bring change. To begin with, Obama has frozen pay raises for high-ranking government officials and has started his administration. Across the Pacific, Obama's support rate reached 89.7 PERCENT in Japan, according to an online poll. In Japan as well, all eyes are on everything he does.

In Japan, public support for Obama hit an overwhelming 89.7 PERCENT rate. This data, which came out on Jan. 22, is a finding from an online questionnaire survey conducted on Jan. 9-13 by Lifenet Insurance Co., an Internet life insurance firm. The poll was conducted of males and females in their teens and in their 20s, 30s, 40s, and 50s. Valid responses totaled 968. The figure is 5.7 points higher than the 84.0 PERCENT rating in a recent CNN poll, which was conducted in the United States and revealed on Jan. 18.

The Japanese public's feeling of expectations for Obama may be stronger than the American public's. In the Lifenet survey, those who support Obama were further asked to answer what they would like him to do (up to three choices). The results are:

1. Overcome the financial crisis (78.7 PERCENT)
2. Favorable impact on the Japanese economy (48.0 PERCENT)
3. Environmental policy (37.3 PERCENT)
4. North Korea problem (34.0 PERCENT)
4. Middle East stabilization (22.7 PERCENT)

These issues should be undertaken by the Japanese government. However, the latest rate of public support for the Aso cabinet, which holds Japan's fate, is as low as 19.2 PERCENT, according to a Kyodo News telephone poll released on Jan. 12. Asked about the Aso cabinet's 2-trillion-yen cash handout plan, 70.5 PERCENT gave negative answers. The figure shows public disappointment at such a policy. The online poll this time seems to reflect the sad reality

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of Japan that has no choice but to hang its hopes on a foreign country's new president.

5) MSDF to be ordered to prepare for security operations

ASAHI (Page 4) (Abridged)
January 23, 2009

The government has decided to order the Maritime Self-Defense Force to prepare for maritime security operations against pirates in waters off the eastern African coast of Somalia. The Defense Ministry says the MSDF needs a month or two for training and other purposes. The actual order is expected to be issued in or after March.

The New Komeito--the ruling Liberal Democratic Party's coalition partner--was cautious about sending MSDF vessels. However, the New Komeito held a meeting of its executive officers yesterday and approved guidelines worked out by the ruling coalition's antipiracy project team for the MSDF. The LDP and the New Komeito will reach a formal agreement in a meeting of their policy chiefs on Jan. 27. Prime Minister Aso will receive a report from the two parties' policy chiefs and will direct Defense Minister Hamada to order the MSDF to be prepared for maritime security operations. Aso and Hamada are expected to meet today to discuss a future course of action.

6) Young people admire pirates: envoy

ASAHI (Page 4) (Abridged)
January 23, 2009

Ambassador to Ethiopia Kinichi Komano, concurrently serving as ambassador to Djibouti and covering Somalia, told the Asahi Shimbun in an interview that it would be difficult to find a fundamental solution to the issue of piracy in waters off Somalia. "Piracy is an occupation that attracts local young people," Komano said. He also indicated that the MSDF would not be in a state of battle with pirates there.

According to Komano, many of those pirates used to be coast-based fishermen. Somalia has been in a state of anarchy since 1991, and they went armed to drive foreign fishing boats away due to their reckless fishing. Later on, they joined hands with a private army and became pirates hunting hostages for ransoms.

7) DPJ's Nagashima positively assesses planned Somalia dispatch

MAINICHI (Page 5) (Full)
January 23, 2009

Democratic Party of Japan lawmaker Akihisa Nagashima, in the taping of a BS 11 Digital program yesterday, positively evaluated the government's policy course to dispatch (Maritime Self-Defense Force) destroyers to engage in anti-piracy operations in waters off Somalia under a maritime policing provision. He said: "They will engage in policing operations; their conducting international cooperation activities will contribute to our national interests." Nagashima is a main member of the anti-piracy nonpartisan parliamentary league.

He also had this view about new anti-piracy legislation, now being studied by the government and the ruling parties: "The Japan Coast Guard Law will be applied to the SDF. The weapons use standards

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should be relaxed under the law. Caution must be practiced in establishing a new law."

8) LDP panel meets to discuss defense plan

ASAHI (Page 4) (Full)
January 23, 2009

The ruling Liberal Democratic Party held a meeting of its defense policy review subcommittee yesterday at its headquarters to discuss the National Defense Program Guidelines, which is expected to be revised late this year. In the wake of changes in the international situation, such as China's military buildup and North Korea's nuclear development, the panel will discuss the Japan-U.S. alliance, international cooperation, the Self-Defense Forces' organization and deployment, and the use of outer space for defense. It will work out a report of recommendations by the end of May.

In the meeting, one participant insisted that Japan should have a comprehensive security strategy including foreign and energy policies. In addition, another suggested the need for Japan to enhance its antiterror capability and maintain deterrence on China and North Korea.

9) MSDF destroyer Atago was main cause of collision with fishing boat: Tribunal determines

MAINICHI (Top Play) (Lead para.)
January 23, 2009

The Yokohama Marine Accident Tribunal on January 22 recommended in its decision reached in connection with the collision of the Maritime Self-Defense Force's (MSDF) Aegis-equipped destroyer Atago with the fishing boat Seitoku-Maru in February last year that the 3rd Escort Division of the 3rd Escort Flotilla (former 63rd Escort Division deployed in Maizuru City, Kyoto), to which the destroyer belongs, provide thorough instructions on safe navigation. Chief Judge Koji Orito determined that the Atago's failure to avoid the course of the Seitoku-Maru due to its insufficient surveillance is the main cause of the accident. The councilors -- equivalent to public prosecutors in criminal trials -- will unlikely apply for the second instance. If the ruling is finalized, this would be the first issuance of such a remonstrance against the MSDF.

10) Government to freeze project to remove leftover chemical weapons in China for three years

SANKEI (Top Play) (Excerpts)
January 23, 2009

The government has decided to freeze for the next three years a project to construct plants related to disposing of chemical weapons abandoned by the Imperial Japanese Army in Haerbaling, Jilin Province, China. The government also plans to significantly scale down the project, according to government sources yesterday. Most of leftover weapons are still buried in Haerbaling. The government intends to carry out recovery and detoxifying works in small-scale excavation and recovery projects across the nation first. The government expects the construction cost to be reduced to one-tenth of the initial estimate. The weapons-disposal project has been criticized as containing uncertain elements.

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According to the responsible office in the Cabinet Office, the headquarters of the Kwantung army was located near Haerbaling, and 300,000 to 400,000 munitions are considered to be still underground in the foothills of Haerbaling Mountains.

The government started the disposal project in fiscal 1999 and injected approximately 54 billion yen in it by fiscal 2007. The governments of Japan and China agreed in April, 2004, to construct a facility for excavation and recovery, as well as a plant to detoxify

the recovered shells. The total cost of the project was estimated at more than 200 billion yen.

The project has been at a standstill due to slow progress in coordination on the Chinese side. In the fall, 2007, a fraud case involving Abandoned Chemical Weapons Disposal Corp., the sole agent to manage the project, was revealed. Around that time, in response to questions by the Japanese government to several Japanese companies about instructions for excavation and recovery equipment, they reportedly sought an additional investigation, citing a lack of information.

Many ruling party members criticized the project for a heavier financial burden on Japan. In March 2008, the Japanese government cancelled the contract with the said company and started reconsidering the project. Based on the judgment that the project to construct big facilities in Haerbaling is not practical, the government decided to freeze the project for the time being and scale down it.

11) Japan-South Korea foreign ministerial set for Feb. 11

MAINICHI (Page 5) (Full)
January 23, 2009

It has generally been decided that a Japan-South Korea foreign ministerial will take place in Seoul on February 11 between Foreign Minister Hirofumi Nakasone and Foreign Affairs and Trade Minister Yu Myung Hwan, according to a Japanese government source yesterday. In the wake of the launch of the administration of U.S. President Barack Obama, they are expected to discuss, among other things, the maintenance of cooperation between Japan, the United States and collaboration between Japan and South Korea on reconstruction assistance to Afghanistan. Prime Minister Taro Aso, in a Japan-South Korea summit on Jan. 12, announced his intention to have Foreign Minister Nakasone visit South Korea at an early date.

12) Japan-ROK bureau director-level talks on Afghan aid occur on Jan. 30 in Seoul

TOKYO SHIMBUN (Page 2) (Full)
January 23, 2009

Kaname Fukuda, Seoul

The governments of Japan and the Republic of Korea (ROK) have decided to hold on Jan. 30 working-level talks of bureau director-level officials on bilateral cooperation in implementing measures supporting the reconstruction of Afghanistan.

Coinciding with the upcoming Japan-ROK foreign ministerial, the outcomes of the talks will be clarified. The South Korean Foreign Affairs and Trade Ministry revealed the decision yesterday.

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Prime Minister Taro Aso and President Lee Myung Bak agreed in their recent meeting to hold the working-level talks. As U.S. President Barack Obama plans to give priority to the Afghan issue, Japan and South Korea are aiming to jointly carry out projects with an eye on collaboration with Washington. According to the South Korean Foreign Affairs and Trade Ministry, Tokyo and Seoul are looking into the possibility of assisting Afghanistan in vocational training and agricultural areas.

13) Aso receives letter from Iranian president

TOKYO SHIMBUN (Page 2) (Full)
January 23, 2009

Prime Minister Taro Aso met with Iranian presidential envoy Hashemi Samareh at his office yesterday. From the envoy, Aso received President Mahmoud Ahmadinejad's letter expressing his wishes to cooperate with Japan for the peace and stability of the Middle East, including the Palestinian Gaza Strip.

In response, the prime minister said: "It is important to make the ceasefire (in Gaza) lasting. I expect that Iran will play a constructive role." The prime minister also expressed his hope regarding the reconstruction of Afghanistan, saying: "Iran's role is important as its neighbor."

14) Takenaka asks Aso to attend Davos meeting

MAINICHI (Page 5) (Full)
January 23, 2009

Kuniaki Kinoshita

Prime Minister Taro Aso met at his office yesterday with Keio University Professor and former Internal Affairs and Communications Minister Heizo Takenaka. Takenaka asked the prime minister to attend the annual World Economic Forum (Davos meeting), scheduled to open on Jan. 28 in Switzerland's Davos, as a board member to engage in the meeting's operation. In response, the prime minister indicated that he would attend the meeting, saying, "I am fully aware of the importance of the meeting."

Takenaka served as economic and fiscal policy minister and internal and communications minister during the former Koizumi administration. With Prime Minister Aso having underlined a shift away from the Koizumi policy course recently, the two are on cat-and-dog terms, so to speak. Takenaka has recently criticized Aso's consumption tax hike plan.

The meeting lasted about 40 minutes. Takenaka did not reveal specifics to the press, saying, "We did not discuss such." The meeting was also attended by Liberal Democratic Party Election Strategy Council Deputy Chairman Yoshihide Suga, and this has stirred some conjectures about the contents of the meeting.

15) BOJ expects real GDP to be minus 2 PERCENT in fiscal 2009:
Projects economic contraction at record pace in postwar era

ASAHI (Top Play) (Excerpts)
January 23, 2009

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The Bank of Japan (BOJ) on January 22 revised downward its outlook for the growth of the nation's real domestic products in fiscal 2008 from 0.1 PERCENT as of October last year to negative 1.8 PERCENT and that for fiscal 2009 from 0.6 PERCENT to negative 2.0 PERCENT. The central bank reported that outlook in an interim assessment of its biannual Outlook for Economic Activity and prices released in October, which it finalized at a policy-setting meeting held the same day.

The government in its economic outlook issued in December last year estimated the growth of the GDP in fiscal 2008 at negative 0.8 PERCENT and that for fiscal 2009 at zero growth. However, if the BOJ projection is realized, the growth of the GDP would fall below the negative 1.5 PERCENT marked in 1998 to become the lowest-ever recorded since 1956. This would be the second year in a row for GDP to fall.

16) Second extra budget: Coordination under way for holding vote on the 26th; Bridging bill likely to be put on hold

NIKKEI (Page 2) (Full)
January 23, 2009

The Liberal Democratic Party (LDP) and the Democratic Party of Japan (DPJ) on January 22 began coordination of views with the possibility of holding on a vote on the fiscal 2008 second supplementary budget in the Upper House on the 26th. The ruling parties had originally been seeking a vote on the 23rd. The DPJ's side is leaning toward agreeing on an early vote, because if it delays the timetable, it could draw criticism from the public. In connection with this, one high-ranking government official said that it might be all right not

to submit a bridging bill aimed at extending tariff reduction measures for a certain fixed period -- an idea floated in the ruling camp.

The Upper House Budget Committee at its directors meeting held on the 22nd discussed how to handle the second extra budget.

One LDP source, however, revealed that Diet Policy Committee Chairman Tadamori Oshima had already reached an agreement with senior DPJ officials on holding a vote on the 26th. The budget bill is set to secure Diet approval after the joint committee of both Houses, once it is voted down in the opposition party-ruling Upper House.

In this case, the ruling camp intends to put off to the 27th four speeches by government officials, including Prime Minister Aso's policy speech, slated for the 26th. The ruling camp will thus give consideration to the opposition parties, which are strongly opposing holding parallel Diet deliberations -- starting deliberations on the fiscal 2009 budget before passage of the second supplementary budget.

Many DPJ members also take the stand that holding a vote on the second extra budget should not be delayed intentionally, as one senior official said. However, since senior officials, such as Secretary General Yukio Hatoyama, are set to decide the party's stance on the 23rd, there still remain some unclear elements.

17) DPJ's strategy of drawing out rebels in LDP ends in failure

YOMIURI (Page 4) (Excerpts)

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January 23, 2009

With the settlement of coordination between the government and ruling Liberal Democratic Party (LDP) regarding a supplementary clause on a consumption tax hike of a government bill on tax system reform for fiscal 2009, the Democratic Party of Japan (DPJ), the largest opposition force, has now lost a winning hand to force the Aso administration to resign at an early date, although the DPJ looked forward to bringing out many rebels in the LDP to vote against the bill. The party will likely have to modify its national strategy.

DPJ Deputy President Naoto Kan said in a strong tone: "If I say we didn't expect rebels, it would be lying. But we did not look forward to rebellions alone," when asked by reporters about the low possibility of LDP members defying the party leadership. Kan then criticized the result of coordination between the government and LDP, saying:

"Prime Minister Aso again made a policy flip-flop. The government has lost its reason for existence, having made such an unreasonable decision."

The DPJ's strategy for the current Diet session was to focus on the cash-handout program and a consumption tax hike, to which many LDP lawmakers were opposed. It planned to force Aso to resign or to dissolve the Lower House by drawing out rebels in the LDP when the bill was voted on in the Lower House. To that end, the party was preparing for fighting the next general election, by doing such things as deciding final candidates after conducting a survey on the single-seat constituencies before the end of January.

However, only two LDP lawmakers, including former Administrative Reform Minister Yoshimi Watanabe, defied the party leadership in taking a vote on the second supplementary budget for fiscal 2008, including the cash-handout program. The situation is that the DPJ cannot expect many LDP rebels going again a revote on the budget-related bills in the Lower House. The party also cannot anticipate many rebellions toward the consumption tax bill.

18) Deputy Chief Cabinet Secretary Konoike rebuts weekly magazine: No leakage of classified information

TOKYO SHIMBUN (Page 2) (Full)
January 23, 2009

When asked by reporters at the Prime Minister's Official Residence about a weekly magazine Shukan Shincho article pointing out the possibility of his leaking classified information to his female friend, Deputy Chief Cabinet Secretary Yoshitada Konoike yesterday rebutted: "I have never leaked confidential information." The weekly magazine in question was on sale on Jan 22.

In a press conference yesterday, Chief Cabinet Secretary Takeo Kawamura stated: "I confirmed that there was no leakage of information related to national secrets," taking testimony from Konoike.

Kawamura also revealed that he told Konoike: "Full-fledged deliberations on the fiscal 2009 budget will start. I want you to further heighten your guard."

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ZUMWALT